

Japanese game industry and collaboration with Poland

by Sho Sato

Introduction

It is a well-known fact that the game industry is an important economic sector in Poland. According to the Polish Game Industry Report by PARP, there are 824 game-related companies in Poland as of October 2025, employing 14,568 people and generating 1.293M EUR in sales. Poland has become a prominent country in the game industry within the EU, alongside the UK and France.

The Asian game market accounts for 20-40% of Polish games, and Japan is a prominent market, second only to China. For example, Teyon's "Human Fall Flat" became the best-selling digital game in Japan for over a year, achieving great success with cumulative sales of 2.5 million copies. Due to these factors, various Polish companies are interested in the Japanese game market and industry cooperation. Though Polish people know many Japanese giant game companies such as Nintendo, Sony, Square Enix, and Konami, their organizational dynamics and the situation of Japanese indie game developers are still unknown to them.

I have supported international collaboration for many major Japanese game makers, serve as the executive director of iGi, Japan's first indie game incubator, and also act as an advisor for the Ministry of Economy, Trade and Industry's "Sofu" project as well as a core leader of the Agency for Cultural Affairs' G4 program. I will explain the latest situation of Japanese game industry, including Japanese government support, across three fields: major game companies, the indie game scene, and serious games. Based on these insights, I will discuss what kind of cooperative relationships the Polish and Japanese game industries can build.

Status of Major Japanese Companies

While a storm of restructuring is raging among the largest Western game companies, major Japanese game companies are all doing relatively well. For better or worse, Japanese game companies often have a complete development ecosystem within the country, so large-scale restructuring of game developers has not occurred domestically. Instead, major Japanese game companies face a challenge of talent shortages. Although it may seem strange from an overseas perspective, the presence of the game industry in Japanese society was too small. Many critics discuss gaming addiction and negative impacts on education, and working in the game industry was not necessarily honorable. Consequently, many talented individuals did not enter the game industry but went to other industries. So as to recruit excellent developers, major game companies

are striving to improve starting salaries and increase wages, working hard to keep developers within their companies.

In terms of job types, the number of project managers and directors is particularly in short supply. Japanese educational institutions specialize in the mass training of game programmers and graphic artists. A board meeting at major game companies have become places where executive producers of existing IPs compete with each other for limited budgets, which leads to difficulty in making new IPs.

However, it doesn't mean Japanese major game companies don't try new things. They recently try to expand their business into new countries. For example, SEGA made a MOU with Qatar Media City for supporting talents in Qatar and expanding their business into the Middle East. Some major companies look at the potential of India, Africa and Latin America.

Meanwhile, the condition of Japanese PC and mobile game companies is similar to that of the West. The business environment for the mobile gaming market is deteriorating due to advertising regulations by mobile platformers and the soaring CPA. Furthermore, most Japanese online game companies have not succeeded in overseas expansion and are only successful in the Japanese market. Recently, even in that Japanese market, they are losing significant market share to games such as "Genshin Impact," "Arknights," and "NTE" from China, and "Blue Archive" and "NIKKE" from South Korea. Under these circumstances, some Japanese mobile game companies are proceeding with personnel reductions, such as encouraging voluntary retirement. While losing share in the Japanese market and finding it difficult to enter the highly regulated Chinese market, these companies are making efforts to somehow enter the Western and emerging markets.

History and Challenges for the Japanese Indie Games Scene

Though the presence of Japanese indie games is a bit invisible at international game events, its history of Japanese indie games is pretty long. Some of them have been selling games called "Doujin games" at events like Comic Market where amateur manga artists gather, while others have been developing novel games and action games using tools like RPG Maker. It is well known that "Hotline Miami", one of the pioneers of Western indie games, was inspired by several Japanese free games. Furthermore, since the 2000s, many have appeared who release games on game platforms such as Steam.

However, Japanese indie game developers have struggled with a lot of challenges. Since Japanese companies are based on lifetime employment and few job changes, the value that one should make games at major game companies was deeply rooted in the Japanese game industry. Actually, even within major companies, many people develop indie games separately from company projects, but since many major Japanese companies had regulations prohibiting side jobs, many developers used fake names to avoid being found by their bosses or facing social persecution. Therefore, many people make games quietly alone, not preferring to go public by forming teams, working with publishers, or receiving investment. Furthermore, the relationship between the indie game community and major game companies was not good. People inside major game companies sometimes looked down on indie game developers as amateur game developers.

Change and development of Japanese indie games

However, triggered by the COVID pandemic, opportunities for mutual cooperation of various indie game dev clusters began, which had been scattered individually from Comic Market, free game platforms to Steam. Many million-seller indies began to appear, such as "Sakuna: Of Rice and

Ruin," "The Exit 8," and "BOKURA." In addition, indie game events began to be held not only in metropolitan area but also throughout the country. In recent years, movements to hold indie game events have appeared in local prefectures such as Hokkaido, Fukuoka, Kagawa, Aichi, and Gifu.

Under this circumstance, the author collaborated with Marvelous and Mr. Ichijo, an indie game developer from Head High, to start iGi/indie game incubator, Japan's first indie game incubation program. It is currently in its 6th term and has supported more than 30 Japanese indie game development teams to date. This includes Kotake Create, which developed "The Exit 8," which sold more than 1 million.

The Japanese government also pays attention to this activation of the indie game scene. Prior to the 2020s, the Japanese government had implemented almost no effective measures for the game industry. In Japan, the Ministry of Economy, Trade and Industry pursued the economic value of games, and the Agency for Cultural Affairs pursued their cultural value. Nonetheless, film, music, and comic industries have stronger lobbying power than games, so the policies have not matched with the needs from game industry. However, the government's attitude changed significantly due to the influence of policy recommendations issued by the Keidanren (Business Roundtable in Japan) in 2024. Areas where the author is involved include "Sofu," a public game acceleration program by the Ministry of Economy, Trade and Industry, and the Global Game Growth Gateway program by the Agency for Cultural Affairs, which trains overseas personnel for game publishers.

While the situation of the indie game scene has improved significantly, the difficulty of scaling, lack in investors and the absence of clear industry leaders or industry groups equivalent to Poland's Indie Game Polska or Digital Dragons remain issues. In this regard, we are planning the formation of a nationwide network in collaboration with community leaders of indie game developers in various regions.

Serious Games and the Utilization of Games for Social Issues in Japan

Similar to the indie game scene, there is a small but extremely active serious game development scene in Japan. Japanese serious games date back to the management games developed by Sony in the 1970s. A major difference between Japanese serious games and those in the West is that many of them are board games rather than digital games. According to a document titled "Learnable Games List" compiled by Training Game Lab, more than 700 serious games have been created in Japan.

Besides small serious game teams, the utilization of games for social issues by major companies also becomes active. Examples include the educational version of KONAMI's "Momotaro Dentetsu" and the use of Bandai Namco's "Taiko the drum master" for frailty prevention. Sega has established a company called Sega XD specializing in gamification.

However, the Japanese serious game scene remains domestic, and they have no contact with overseas countries. Also, even for projects by major companies, the budget scale is quite small, and most are non-sustainable projects that end once they are done. Under this environment, I hold the Serious Game Summit twice. The first one was in Kyoto and the second one was in Tokyo, with over 150 and 200 participants respectively, and not only game companies but also non-game big companies such as railway companies and pharmaceutical companies gathered, showing enthusiasm in this field as well.

Conclusion: Possibilities for Cooperation with Poland

Every year Poland sends missions to events such as the Tokyo Game Show and BitSummit, and there is no doubt that their interest in the Japanese market is high. Regarding market development: many Polish game companies want to meet with major Japanese game makers such as Capcom and Bandai Namco, but in many cases, they do not have indie game departments, and often will not handle titles unless they are of considerable scale. Instead of working with such major companies in vain, it is fully possible to sell games in the Japanese market by cooperating with localizers, marketing specialty companies, and publishers capable of Japanese language support.

Also, international co-development is a frequent inquiry from European game industry countries, but since there are few "bridge" personnel in Japan who can handle English, co-development itself is quite difficult. Partial cooperation such as music and key art is realistic.

In addition, there is a strong need for information exchange regarding regulations and the legal environment for the European and Japanese game markets, and it can be said that starting with collaboration in specific fields is appropriate.

On the other hand, regarding cooperation including the public sector, five years ago, it would have been difficult to have beneficial cooperation because the Japanese government had almost no activities regarding the game industry. However, the situation has been changing in recent years. I believe that various forms of cooperation are becoming possible, such as cooperation at the local level utilizing sister city agreements, cooperation at the national level utilizing counterpart relationships between individual ministries, and cooperation at the EU and UN levels.

About the author:

Sho Sato is the CEO at LUDiMUS Inc., leading specialists' group of creative industries like game, anime and manga. He is the co-founder and Secretary General at iGi, the first game incubator in Japan, and works as an advisor for So-Fu game accelerator by Ministry of Economy, Trade and Industry and as the core member of Global Game Growth Gateway by Agency for Cultural Affairs. From 2024, he became the chairman of IGDA Incubation SIG, a working group for more than 120 leaders from incubators and accelerators in 61 countries.